

# **VILLAGE OF INDIAN HEAD PARK**

Indian Head Park, Illinois

## **FINANCIAL STATEMENTS**

For the Year Ended April 30, 2011

*This page has been intentionally left blank.*

# VILLAGE OF INDIAN HEAD PARK

## TABLE OF CONTENTS April 30, 2011

---

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Required Supplementary Information	
Management's Discussion and Analysis - (Unaudited)	3 - 14
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	15
Statement of Activities	16 - 17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18 - 19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21 - 22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Assets - Proprietary Fund	24
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund	25
Statement of Cash Flows - Proprietary Fund	26 - 27
Statement of Assets and Liabilities - Fiduciary Fund	28
Index to Notes to Financial Statements	29
Notes to Financial Statements	30 - 52
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	53
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Motor Fuel Tax Fund	54
Schedule of Employer's Contributions and Schedule of Funding Progress - Illinois Municipal Retirement Fund	55
Notes to Required Supplementary Information	56

*This page has been intentionally left blank.*

## VILLAGE OF INDIAN HEAD PARK

### TABLE OF CONTENTS (cont.) April 30, 2011

---

	<u>Page(s)</u>
Supplementary Information	
Detailed Schedule of Revenues - Budget and Actual - General Fund	57 - 58
Detailed Schedule of Expenditures - Budget and Actual - General Fund	59 - 62
Combining Balance Sheet - Nonmajor Governmental Funds	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	64
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -	
Bond Debt Service	65
911	66
Special Parks	67
Comparative Schedule of Revenues, Expenses and Changes in Net Assets - Proprietary Fund	68 - 69
Schedule of Changes in Assets and Liabilities - Agency Funds	70
Five Year Summary of Equalized Assessed Valuations, Tax Rates and Extensions	71
Debt Service Requirements - 1997 General Obligation Bonds	72
Debt Service Requirements - 2009 General Obligation Limited Debt Certificates	73

*This page has been intentionally left blank.*



Baker Tilly Virchow Krause, LLP  
1301 W 22nd St, Ste 400  
Oak Brook, IL 60523-3389  
tel 630 990 3131  
fax 630 990 0039  
bakertilly.com

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Village of Indian Head Park  
201 Acacia Drive  
Indian Head Park, Illinois 60525

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Indian Head Park, Illinois, as of and for the year ended April 30, 2011, which collectively comprise Village of Indian Head Park's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Indian Head Park's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Indian Head Park, Illinois as of April 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Board of Trustees  
Village of Indian Head Park

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Village of Indian Head Park's basic financial statements. The financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 2011 supplementary information has been subjected to the auditing procedures applied to the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended April 30, 2011, taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States, Village of Indian Head Park's basic financial statements for the year ended April 30, 2010, which are not presented with the accompanying financial statements. In our report dated November 12, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2010 supplementary information is fairly stated in all material respects in relation to the basic financial statements for the year ended April 30, 2010, taken as a whole.

*Baker Tilly Vachow Krause, LLP*  
Oak Brook, Illinois  
September 6, 2011



# VILLAGE OF INDIAN HEAD PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)

April 30, 2011

---

The discussion and analysis of Village of Indian Head Park's (the "village") financial performance provides an overall review of the village's financial activities for the year ended April 30, 2011. The management of the village encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the village's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

### Financial Highlights

- > The assets of the village exceeded its liabilities at the close of the most recent fiscal year by \$3,213 thousand (net assets). Of this amount, \$279 thousand is unrestricted and may be used to meet the government's ongoing obligation to citizens and creditors.
- > In total, net assets increased by \$183 thousand.
- > As of the close of the current fiscal year, the village's governmental funds reported combined ending fund balances of \$531 thousand, an increase of \$254 thousand in comparison with the prior year.
- > General revenues accounted for \$1,902 thousand in revenue or 71% of all governmental revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$767 thousand or 29% of total governmental revenues of \$2,669 thousand.
- > The village had \$2,416 thousand in expenses related to government activities. However, only \$767 thousand of these expenses were offset by program specific charges and grants.
- > At the end of the current fiscal year, unreserved fund balance for the General Fund was a deficit of \$(62) thousand.
- > The village's total debt decreased by \$108 thousand during the current year to \$1.18 million.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the village's basic financial statements. The basic financial statements are comprised of three components:

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

### *Government-wide financial statements*

The government-wide financial statements are designed to provide readers with a broad overview of the village's finances, in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

## VILLAGE OF INDIAN HEAD PARK

### MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)

April 30, 2011

---

The statement of net assets presents information on all of the village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the village is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the fiscal year being reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be divided into two types of activities: governmental and business-type. Governmental activities present the functions of the village that are principally supported by taxes and intergovernmental revenues. Business-type activities present the functions that are intended to recover all or a significant portion of their costs through user fees and charges. The village's governmental activities include functions like general government, police, fire, public works and administrative functions. The village's business-type activities include water and sewer services.

#### *Fund financial statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the village can be divided into three categories: governmental funds, enterprise funds and fiduciary funds.

#### Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the village's general government operations and the basic services it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources; as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## VILLAGE OF INDIAN HEAD PARK

### MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)

April 30, 2011

---

The village maintains 4 major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, motor fuel tax fund, bond debt service fund and capital improvement fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The village adopts an annual budget for each of the major funds listed above, except for the capital improvement fund. A budgetary comparison statement has been provided for each major special revenue fund to demonstrate compliance with this budget.

#### Proprietary funds

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The village's proprietary fund presents the activities and balances in the Water Fund which is considered to be a major fund, using the accrual basis of accounting and economic resources measurement focus. Proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary funds reflect the private-sector type operation, where the fee for service typically covers all or most of the cost of operation and maintenance including depreciation.

#### Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the village. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the village's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

#### *Notes to basic financial statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### *Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the village's contributions and funding progress of the Illinois Municipal Retirement Fund; as well as, budget to actual comparisons of the general and major special revenue funds. Supplementary schedules include combining and individual fund schedules of all non-major funds and Fiduciary Funds.

# VILLAGE OF INDIAN HEAD PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)

April 30, 2011

### Government-Wide Financial Analysis

<b>Table 1</b> <b>Condensed Statements of Net Assets</b> <b>(in thousands of dollars)</b>						
	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
<b>Assets</b>						
Current and other assets	\$ 1,209	\$ 919	\$ 657	\$ 660	\$ 1,866	\$ 1,579
Capital assets	<u>2,735</u>	<u>2,838</u>	<u>604</u>	<u>691</u>	<u>3,339</u>	<u>3,529</u>
Total assets	<u>3,944</u>	<u>3,757</u>	<u>1,261</u>	<u>1,351</u>	<u>5,205</u>	<u>5,108</u>
<b>Liabilities</b>						
Long-term liabilities	1,162	1,272	19	17	1,181	1,289
Other liabilities	<u>661</u>	<u>629</u>	<u>150</u>	<u>160</u>	<u>811</u>	<u>789</u>
Total liabilities	<u>1,823</u>	<u>1,901</u>	<u>169</u>	<u>177</u>	<u>1,992</u>	<u>2,078</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	1,919	1,857	604	691	2,523	2,548
Restricted	411	429	-	-	411	429
Unrestricted (Deficit)	<u>(209)</u>	<u>(430)</u>	<u>488</u>	<u>483</u>	<u>279</u>	<u>53</u>
Total net assets	<u>\$ 2,121</u>	<u>\$ 1,856</u>	<u>\$ 1,092</u>	<u>\$ 1,174</u>	<u>\$ 3,213</u>	<u>\$ 3,030</u>

### Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net assets invested in capital assets, net of related debt.

Spending of non-borrowed current assets on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net assets and increase invested in capital assets, net of related debt.

Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net assets and increase net assets invested in capital assets, net of related debt.

Reduction of capital assets through depreciation – which will reduce capital assets and net assets invested in capital assets, net of related debt.

## VILLAGE OF INDIAN HEAD PARK

### MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED) April 30, 2011

---

#### *Current Year Impacts*

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the village, total net assets increased by \$183 thousand from \$3,030 thousand to \$3,213 thousand. The village's total assets equal \$5,205 thousand. The village's total liabilities equal \$1,992 thousand.

The village experienced increased current and other assets due to an increase in cash and investments related to reduced spending during the year.

A portion of the net assets of the governmental activities is restricted for street and highways maintenance, recreational programs, and debt service. The unrestricted combined balance, for both governmental and business-type activities, of \$279 thousand may be used to meet the ongoing village obligations to their citizens and creditors.

# VILLAGE OF INDIAN HEAD PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)

April 30, 2011

<b>Table 2</b>						
<b>Condensed Statements of Activities</b>						
<b>(in thousands of dollars)</b>						
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
<i>Program revenues</i>						
Charges for services	\$ 658	\$ 633	\$ 742	\$ 743	\$ 1,400	\$ 1,376
Operating grants and contributions	109	93	-	-	109	93
Capital grants and contributions	-	1	-	-	-	1
<i>General revenues</i>						
Property taxes	959	1,049	-	-	959	1,049
Other taxes	649	601	-	-	649	601
Intergovernmental	293	311	-	-	293	311
Other general revenues	1	1	1	-	2	1
<b>Total revenues</b>	<b>2,669</b>	<b>2,689</b>	<b>743</b>	<b>743</b>	<b>3,412</b>	<b>3,432</b>
<b>Expenses</b>						
General government	849	945	-	-	849	945
Public safety	1,126	1,127	-	-	1,126	1,127
Public works	215	279	-	-	215	279
Highways and streets	114	103	-	-	114	103
Culture and recreation	33	32	-	-	33	32
Interest and fees	78	70	-	-	78	70
Health and human services	1	1	-	-	1	1
Water	-	-	813	877	813	877
<b>Total expenses</b>	<b>2,416</b>	<b>2,557</b>	<b>813</b>	<b>877</b>	<b>3,229</b>	<b>3,434</b>
Transfers	12	12	(12)	(12)	-	-
Change in net assets	265	144	(82)	(146)	183	(2)
Net assets, beginning of year	1,856	1,712	1,174	1,320	3,030	3,032
Net assets end of year	\$ 2,121	\$ 1,856	\$ 1,092	\$ 1,174	\$ 3,213	\$ 3,030

### Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

#### Revenues

Economic condition – which can reflect a declining, stable or growing economic environment, and has substantial impact on state sales, replacement and hotel/motel tax revenue; as well as, public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/decrease in Village approved rates – while certain tax rates are set by statute, the village has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, etc.).

## VILLAGE OF INDIAN HEAD PARK

### MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)

April 30, 2011

---

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the village's investments may be affected by market conditions causing investment income to increase/decrease.

#### Expenses

Introduction of new programs – within the functional expense categories (general government, public safety, public works, and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the village to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the village.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the village is a major consumer of certain commodities such as supplies, fuel, and parts. Some functions may experience unusual commodity specific increases.

#### *Current Year Impacts*

The Governmental Activities experienced a decrease in revenue due to a decrease in property tax revenue, and a decrease in expenses due to a no capital projects or unexpected repairs. The combined decreases in revenues and expenditures resulted in an increase in net assets of \$183 thousand to \$3,213 thousand compared to \$3,030 thousand in the prior fiscal year. Overall, the village's financial position has slightly improved since the prior fiscal year.

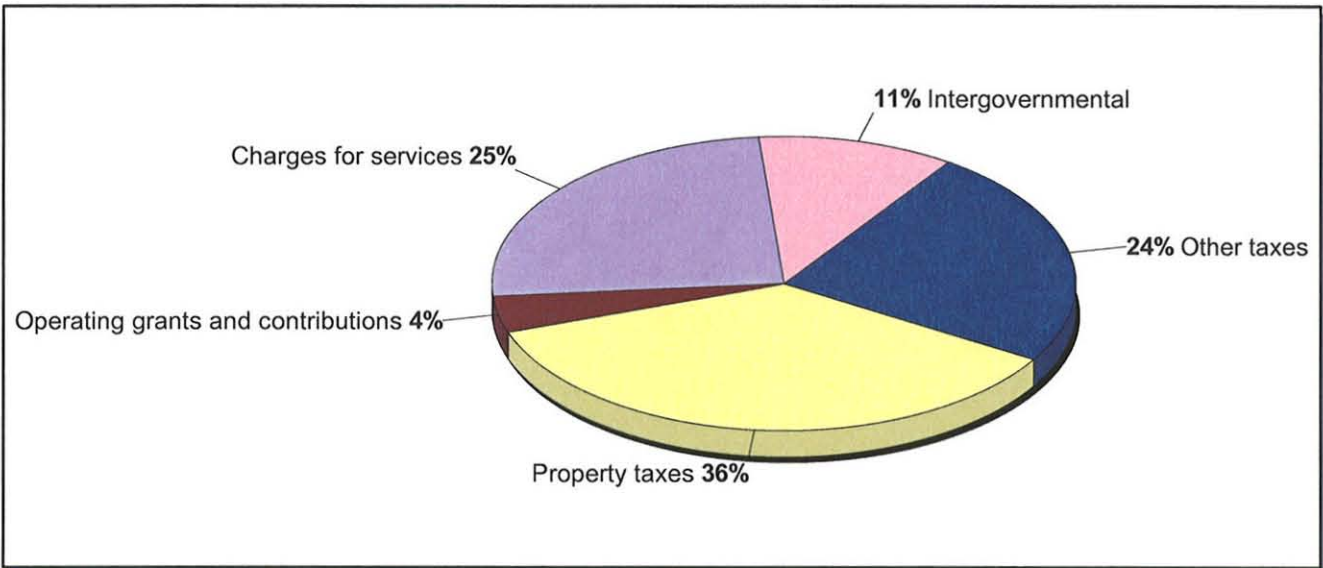
## VILLAGE OF INDIAN HEAD PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)  
April 30, 2011

---

### Governmental Activities

#### Governmental Revenues by Source



### Revenues

The village experienced a decrease in revenue for this fiscal year. This decrease was due primarily to a decrease in property taxes due to the County distributing 55% of the prior year collections in the first installment in 2010 instead of 50% as in previous years. This resulted in a one time increase in revenue in the prior fiscal year.

Additionally this year, the village experienced a delay in collections of state shared income tax revenues. The state is approximately 5 months behind in making payments. While these payments are reported as revenue on the financial statements, they have not been received by the village, and therefore cannot be used to finance current operations.

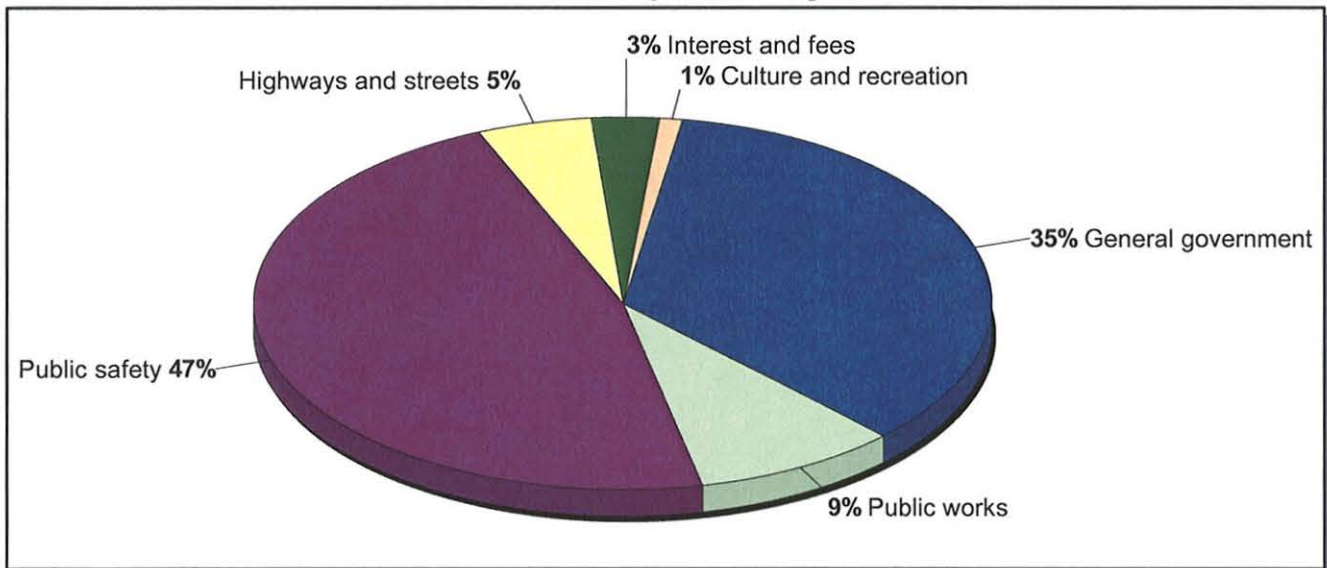


## VILLAGE OF INDIAN HEAD PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)  
April 30, 2011

---

### Governmental Expenses by Function



#### *Expenses*

The village's overall governmental activities expenses in the current fiscal year decreased slightly over the previous year, decreasing by \$205 thousand. The decrease is attributable to the overall reduction of expenditures and no capital projects or unexpected repairs.

#### *Business-Type Activities*

The Business-type activity of the Village of Indian Head Park includes the water and sewer fund. The water and sewer fund serves the village residents and businesses. Pricing of water is based on the fee determined by the supplier of water, the City of Countryside. Sales of water (revenues) can be affected by climate, at times, with warmer and drier summers bringing higher demand. The operating revenues of the water and sewer fund were consistent from prior year decreasing by less than \$1 thousand in comparison to the prior year.

## VILLAGE OF INDIAN HEAD PARK

### MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)

April 30, 2011

---

#### **Financial Analysis of the Village's Funds**

The Village of Indian Head Park uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds:** The focus of the Village of Indian Head Park's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Indian Head Park's financing requirements.

At the end of the current fiscal year, the Village of Indian Head Park's governmental funds reported a combined (major and non-major) ending fund balance of \$531 thousand, an increase of \$254 thousand from fiscal 2010. Revenues decreased by \$14 thousand due to a decrease in taxes. Expenditures have decreased by \$205 thousand due to an overall decrease in general government and public works expenditures. The village has offset various general government expenditures through a transfer from the Water & Sewer fund totaling \$12 thousand.

The Proprietary Fund is the Water and Sewer fund. The operating revenue for the Water Department decreased in 2011 by less than \$1 thousand in comparison to fiscal 2010. Operating expenses, consisting mostly of water purchases and personnel services, decreased by approximately \$64 thousand. The change in net assets for fiscal 2011 was (\$82) thousand after consideration of non-operating revenues, expenses, and transfers. The net assets of the proprietary funds at the end of fiscal 2011 equaled \$1.1 million, of which \$488 thousand is unrestricted. Transfers to the General Fund totaled \$12 thousand.

#### **General Fund Budgetary Highlights**

The village did not amend the budget during the year. The increase of actual revenues from projected total revenues stemmed primarily from higher than expected local use tax revenues and Licenses, permits and fees. The actual expenditures for fiscal 2011 were lower than budget by approximately \$296 thousand due to increased efforts by the village to control spending in order to improve the village's financial picture as a result of the current economic conditions.

#### **Capital Assets and Debt Administration**

##### *Capital assets*

By the end of 2011, the village had compiled a total investment of \$8,283 thousand (\$3,339 thousand net of accumulated depreciation) in a broad range of capital assets. Total depreciation expense for the year was \$190 thousand. More detailed information about capital assets can be found in Note III C. of the basic financial statements.

# VILLAGE OF INDIAN HEAD PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)

April 30, 2011

<b>Table 3</b> <b>Capital Assets (net of depreciation)</b> <b>(in thousands of dollars)</b>						
	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
Land	\$ 869	\$ 869	\$ -	\$ -	\$ 869	\$ 869
Land Improvements	188	206	-	-	188	206
Buildings and improvements	1,317	1,357	-	-	1,317	1,357
Well houses	-	-	35	51	35	51
Water & distribution systems	-	-	332	386	332	386
Equipment	128	160	-	-	128	160
Infrastructure	233	246	237	254	470	500
Total	<u>\$ 2,735</u>	<u>\$ 2,838</u>	<u>\$ 604</u>	<u>\$ 691</u>	<u>\$ 3,339</u>	<u>\$ 3,529</u>

### Debt Administration

The debt administration discussion covers three types of debt reported by the village's financial statements. The village's governmental activities include the debt certificates and a general obligation bond issuance. Overall, the village's governmental activities and business-type activities report a total debt of \$1.181 million. The village began the fiscal year with a balance of \$1.289 million in debt, reduced debt by \$108 thousand, leaving an April 30, 2011 debt balance of \$1.181 million. More detailed information about debt administration can be found in Note III F. to the financial statements.

<b>Table 4</b> <b>Long-Term Debt</b> <b>(in thousands of dollars)</b>						
	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 100	\$ 195	\$ -	\$ -	\$ 100	\$ 195
Debt certificates	999	1,001	-	-	999	1,001
Other long term liabilities	63	76	19	17	82	93
Total	<u>\$ 1,162</u>	<u>\$ 1,272</u>	<u>\$ 19</u>	<u>\$ 17</u>	<u>\$ 1,181</u>	<u>\$ 1,289</u>

## **VILLAGE OF INDIAN HEAD PARK**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)**

April 30, 2011

---

#### **Factors Bearing on the Village's Future**

With the ongoing development of the "Triangle" area within the village, the village is expecting to see some increases in real estate and sales tax collections related to future commercial development. The village is not expecting to see the effect of this development until fiscal year 2014 or later due to the continued poor economy.

The village is seeing increases in the cost of employee benefits, liability insurance and worker compensation insurance, all of which are rising faster than the cost of living.

Additionally this year, the village experienced a delay in collections of state shared income tax revenues. The state is approximately 5 months behind in making payments. While these payments are reported as revenue on the financial statements, they have not been received by the village, and therefore cannot be used to finance current operations. This delay is negatively affecting the cash flows of the village.

The village issued debt certificates in fiscal year 2010 to refund the Series 2001 and Series 2003 debt certificates. As a result of the refunding, the village will see a significant increase in debt principal payments beginning in fiscal year 2014. The Village Board is taking steps to ensure the impact from the principal increase is as small as possible.

#### **Requests for Information**

This financial report is designed to provide the village's citizens, taxpayers, and creditors with a general overview of the village's finances and to demonstrate the village's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

David Brink  
Village of Indian Head Park  
201 Acacia Drive  
Indian Head Park, Illinois 60525

# VILLAGE OF INDIAN HEAD PARK

## STATEMENT OF NET ASSETS April 30, 2011

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 445,765	\$ 339,975	\$ 785,740
Receivables (net)			
Property taxes	552,611	-	552,611
Accounts	-	172,298	172,298
Other taxes	131,707	-	131,707
Intergovernmental	141,866	-	141,866
Miscellaneous	23,575	-	23,575
Internal balances	(129,683)	129,683	-
Prepaid insurance	43,117	15,149	58,266
Capital assets			
Land	868,988	-	868,988
Land improvements	360,756	-	360,756
Buildings and improvements	1,976,792	-	1,976,792
Well houses	-	481,000	481,000
Water and distribution system	-	2,242,084	2,242,084
Equipment	597,872	286,902	884,774
Infrastructure	295,069	1,173,754	1,468,823
Less: Accumulated depreciation	<u>(1,364,039)</u>	<u>(3,579,825)</u>	<u>(4,943,864)</u>
Total Assets	<u>3,944,396</u>	<u>1,261,020</u>	<u>5,205,416</u>
<b>LIABILITIES</b>			
Accounts payable	36,779	31,208	67,987
Accrued salaries	41,774	5,778	47,552
Payroll liabilities	22,339	-	22,339
Deposits payable	-	113,083	113,083
Unearned revenue	538,256	-	538,256
Accrued interest payable	21,775	-	21,775
Noncurrent liabilities			
Due within one year	165,240	18,984	184,224
Due in more than one year	<u>997,137</u>	<u>-</u>	<u>997,137</u>
Total Liabilities	<u>1,823,300</u>	<u>169,053</u>	<u>1,992,353</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,918,842	603,915	2,522,757
Restricted for			
Streets and highways	230,851	-	230,851
Recreational programs	171,211	-	171,211
Debt service	9,452	-	9,452
Unrestricted (Deficit)	<u>(209,260)</u>	<u>488,052</u>	<u>278,792</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 2,121,096</u>	<u>\$ 1,091,967</u>	<u>\$ 3,213,063</u>

See accompanying notes to financial statements.

# VILLAGE OF INDIAN HEAD PARK

## STATEMENT OF ACTIVITIES For the Year Ended April 30, 2011

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities			
General government	\$ 849,015	\$ 349,537	\$ -
Public safety	1,126,000	223,865	-
Public works	215,493	81,068	109,228
Health and human services	1,000	-	-
Highways and streets	113,561	-	-
Culture and recreation	33,104	4,030	-
Interest and fiscal charges	78,232	-	-
Total Governmental Activities	<u>2,416,405</u>	<u>658,500</u>	<u>109,228</u>
Business-type Activities			
Water	812,944	742,409	-
Total Business-type Activities	<u>812,944</u>	<u>742,409</u>	<u>-</u>
Totals	<u>\$ 3,229,349</u>	<u>\$ 1,400,909</u>	<u>\$ 109,228</u>

### General Revenues

#### Taxes

Property taxes

Sales taxes

Local use taxes

Telecommunications taxes

Utility taxes

#### Intergovernmental

State income tax

Personal property replacement taxes

Investment income

Miscellaneous

Total General Revenues

Transfers

### Change in net assets

NET ASSETS - Beginning of Year

**NET ASSETS - END OF YEAR**

---

Net (Expenses) Revenues and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (499,478)	\$ -	\$ (499,478)
(902,135)	-	(902,135)
(25,197)	-	(25,197)
(1,000)	-	(1,000)
(113,561)	-	(113,561)
(29,074)	-	(29,074)
<u>(78,232)</u>	<u>-</u>	<u>(78,232)</u>
<u>(1,648,677)</u>	<u>-</u>	<u>(1,648,677)</u>
-	(70,535)	(70,535)
-	(70,535)	(70,535)
<u>(1,648,677)</u>	<u>(70,535)</u>	<u>(1,719,212)</u>
958,892	-	958,892
285,340	-	285,340
52,453	-	52,453
136,636	-	136,636
174,648	-	174,648
292,031	-	292,031
1,279	-	1,279
573	1	574
-	<u>679</u>	<u>679</u>
<u>1,901,852</u>	<u>680</u>	<u>1,902,532</u>
<u>12,000</u>	<u>(12,000)</u>	<u>-</u>
265,175	(81,855)	183,320
<u>1,855,921</u>	<u>1,173,822</u>	<u>3,029,743</u>
<u>\$ 2,121,096</u>	<u>\$ 1,091,967</u>	<u>\$ 3,213,063</u>

See accompanying notes to financial statements.

# VILLAGE OF INDIAN HEAD PARK

## BALANCE SHEET GOVERNMENTAL FUNDS April 30, 2011

		Special Revenue	
	General	Motor Fuel Tax	Bond Debt Service
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 230,283	\$ 81,419
Receivables (net)			
Property taxes	479,260	-	58,397
Other taxes	131,707	-	-
Intergovernmental	134,260	7,606	-
Miscellaneous	18,349	-	-
Due from other funds	27,947	-	90,449
Prepaid insurance	43,117	-	-
<b>TOTAL ASSETS</b>	<u>\$ 834,640</u>	<u>\$ 237,889</u>	<u>\$ 230,265</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 57,082	\$ 2,036	\$ -
Accrued liabilities	41,774	-	-
Due to other funds	220,132	-	-
Deferred revenues	506,119	-	56,804
Total Liabilities	<u>825,107</u>	<u>2,036</u>	<u>56,804</u>
Fund Balances			
Reserved			
Interfund balances	27,947	-	90,449
Prepaid items	43,117	-	-
Unreserved, reported in			
General fund	(61,531)	-	-
Special revenue funds	-	235,853	-
Debt service funds	-	-	83,012
Capital projects funds	-	-	-
Total Fund Balances (deficit)	<u>9,533</u>	<u>235,853</u>	<u>173,461</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 834,640</u>	<u>\$ 237,889</u>	<u>\$ 230,265</u>



---

Capital Improvements	Nonmajor Governmental Funds	Totals
\$ 82,550	\$ 51,513	\$ 445,765
-	14,954	552,611
-	-	131,707
-	-	141,866
-	5,226	23,575
71,284	-	189,680
-	-	43,117
<u>\$ 153,834</u>	<u>\$ 71,693</u>	<u>\$ 1,528,321</u>

\$ -	\$ -	\$ 59,118
-	-	41,774
-	99,231	319,363
-	14,545	577,468
-	113,776	997,723

71,284	-	189,680
-	-	43,117
-	-	(61,531)
-	(56,606)	179,247
-	-	83,012
82,550	14,523	97,073
153,834	(42,083)	530,598

<u>\$ 153,834</u>	<u>\$ 71,693</u>	<u>\$ 1,528,321</u>
-------------------	------------------	---------------------

See accompanying notes to financial statements.

*This page has been intentionally left blank.*

## VILLAGE OF INDIAN HEAD PARK

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

April 30, 2011

---

Total Fund Balances - Governmental Funds	\$ 530,598
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	2,735,438
Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	39,212
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.	
Long-term liabilities	(1,162,377)
Accrued interest	<u>(21,775)</u>
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,121,096</u></b>

# VILLAGE OF INDIAN HEAD PARK

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended April 30, 2011

		Special Revenue	
	General	Motor Fuel Tax	Bond Debt Service
<b>REVENUES</b>			
Taxes	\$ 824,635	\$ -	\$ 107,475
Other taxes	647,780	-	-
Intergovernmental	293,310	109,228	-
Licenses, permits and fees	319,378	-	-
Fines and forfeiture	43,076	-	-
Charges for services	116,608	-	-
Reimbursements	16,951	-	-
Rentals	-	-	-
Investment income	189	379	2
Miscellaneous	4,413	-	-
Total Revenues	<u>2,266,340</u>	<u>109,607</u>	<u>107,477</u>
<b>EXPENDITURES</b>			
Current			
General government	842,801	-	-
Public safety	975,527	-	-
Public works	162,017	113,561	-
Culture and recreation	-	-	-
Capital Outlay	831	-	-
Debt Service			
Principal	15,400	-	95,000
Interest	4,684	-	10,435
Total Expenditures	<u>2,001,260</u>	<u>113,561</u>	<u>105,435</u>
Excess (deficiency) of revenues over expenditures	<u>265,080</u>	<u>(3,954)</u>	<u>2,042</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	25,992	-	-
Transfers out	-	(13,992)	-
Total Other Financing Sources (Uses)	<u>25,992</u>	<u>(13,992)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	291,072	(17,946)	2,042
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(281,539)</u>	<u>253,799</u>	<u>171,419</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 9,533</u>	<u>\$ 235,853</u>	<u>\$ 173,461</u>

See accompanying notes to financial statements.

---

Capital Improvements	Nonmajor Governmental Funds	Totals
\$ -	\$ 26,782	\$ 958,892
-	-	647,780
-	-	402,538
-	-	319,378
-	-	43,076
-	77,006	193,614
-	-	16,951
-	81,068	81,068
-	3	573
-	-	4,413
-	<u>184,859</u>	<u>2,668,283</u>
-	-	842,801
-	112,197	1,087,724
-	-	275,578
-	25,965	25,965
-	-	831
-	15,000	125,400
-	<u>52,516</u>	<u>67,635</u>
-	<u>205,678</u>	<u>2,425,934</u>
-	<u>(20,819)</u>	<u>242,349</u>
-	-	25,992
-	-	<u>(13,992)</u>
-	-	<u>12,000</u>
-	(20,819)	254,349
<u>153,834</u>	<u>(21,264)</u>	<u>276,249</u>
<u>\$ 153,834</u>	<u>\$ (42,083)</u>	<u>\$ 530,598</u>

See accompanying notes to financial statements.

*This page has been intentionally left blank.*

## VILLAGE OF INDIAN HEAD PARK

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended April 30, 2011

---

Net change in fund balances - total governmental funds	\$	254,349
--	----	---------

Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net assets the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Depreciation as reported in the government-wide financial statements.	(102,746)
---	-----------

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	1,297
---	-------

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal repaid	125,400
------------------	---------

Governmental funds report debt premiums, discounts and issuance costs as other financing sources (uses) or expenditures. However, in the statement of net assets, these are deferred and reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Deferred charge for refunding	(12,863)
-------------------------------	----------

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(2,528)
Accrued interest on debt	<u>2,266</u>

<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>265,175</u></b>
--	-----------	-----------------------

# VILLAGE OF INDIAN HEAD PARK

## STATEMENT OF NET ASSETS PROPRIETARY FUND

April 30, 2011

	<u>Proprietary</u>
<b>ASSETS</b>	
Current Assets	
Cash and investments	\$ 339,975
Receivables (net)	
Accounts	172,298
Prepaid insurance	15,149
Due from other funds	<u>129,683</u>
Total Current Assets	<u>657,105</u>
Noncurrent Assets	
Capital Assets	
Well houses	481,000
Water and distribution system	2,242,084
Equipment	286,902
Infrastructure	1,173,754
Less: Accumulated depreciation	<u>(3,579,825)</u>
Total Noncurrent Assets	<u>603,915</u>
Total Assets	<u>1,261,020</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	31,208
Accrued salaries	5,778
Deposits payable	<u>113,083</u>
Total Current Liabilities	<u>150,069</u>
Noncurrent Liabilities	
Long-Term Debt	
Due within one year	<u>18,984</u>
Total Noncurrent Liabilities	<u>18,984</u>
Total Liabilities	<u>169,053</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	603,915
Unrestricted	<u>488,052</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 1,091,967</u>

See accompanying notes to financial statements.



## VILLAGE OF INDIAN HEAD PARK

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS PROPRIETARY FUND For the Year Ended April 30, 2011

	<u>Proprietary</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 742,409
Total Operating Revenues	<u>742,409</u>
<b>OPERATING EXPENSES</b>	
Cost of sales and services	655,052
Administration	71,039
Depreciation	<u>86,853</u>
Total Operating Expenses	<u>812,944</u>
Operating (Loss)	<u>(70,535)</u>
<b>NONOPERATING REVENUES</b>	
Investment income	1
Miscellaneous	<u>679</u>
Total Nonoperating Revenues	<u>680</u>
Income (Loss) Before Transfers	<u>(69,855)</u>
<b>TRANSFERS</b>	
Transfers out	<u>(12,000)</u>
Total Transfers	<u>(12,000)</u>
Change in Net Assets	(81,855)
NET ASSETS - Beginning of Year	<u>1,173,822</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 1,091,967</u></u>

## VILLAGE OF INDIAN HEAD PARK

### STATEMENT OF CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2011

---

	<u>Proprietary</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers	\$ 775,348
Paid to suppliers for goods and services	(558,764)
Paid to employees for services	<u>(178,740)</u>
Net Cash Flows From Operating Activities	<u>37,844</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	<u>680</u>
Net Cash Flows From Investing Activities	<u>680</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers to other funds	<u>(12,000)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(12,000)</u>
<b>Net Change in Cash and Cash Equivalents</b>	26,524
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>313,451</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 339,975</u>

See accompanying notes to financial statements.

## VILLAGE OF INDIAN HEAD PARK

### STATEMENT OF CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2011

---

	<u>Proprietary</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (70,535)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities	
Depreciation	86,853
Changes in assets and liabilities	
(Increase) decrease in accounts receivable	32,939
(Increase) decrease in prepaid insurance	(3,058)
Increase (decrease) in compensated absences	1,358
Increase (decrease) in accounts payable	(14,908)
Increase (decrease) in accrued salaries	(32)
Increase (decrease) in deposits payable	<u>5,227</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u><u>\$ 37,844</u></u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
None	

See accompanying notes to financial statements.

*This page has been intentionally left blank.*

## VILLAGE OF INDIAN HEAD PARK

### STATEMENT OF ASSETS AND LIABILITIES FIDUCIARY FUND April 30, 2011

---

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	<u>\$ 80,918</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 80,918</u></u>
<b>LIABILITIES</b>	
Other liabilities	<u>\$ 12,912</u>
Refundable deposits	<u>68,006</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 80,918</u></u>

See accompanying notes to financial statements.

*This page has been intentionally left blank.*

# VILLAGE OF INDIAN HEAD PARK

## INDEX TO NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

NOTE	Page
I Summary of Significant Accounting Policies	30
A. Reporting Entity	30
B. Government-Wide and Fund Financial Statements	31
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	33
D. Assets, Liabilities, and Net Assets or Equity	35
1. Deposits and Investments	35
2. Receivables	36
3. Prepaid Items	37
4. Capital Assets	37
5. Compensated Absences	38
6. Long-Term Obligations	38
7. Claims and Judgments	39
8. Equity Classifications	39
II Stewardship, Compliance, and Accountability	40
A. Budgetary Information	40
B. Deficit Balances	41
III Detailed Notes on All Funds	41
A. Deposits and Investments	41
B. Receivables	43
C. Capital Assets	44
D. Interfund Receivables/Payables and Transfers	46
E. Short-Term Debt Activity	47
F. Long-Term Obligations	48
G. Lease Disclosures	50
IV Other Information	50
A. Employees' Retirement System	50
B. Risk Management	51
C. Effect of New Accounting Standards on Current-Period Financial Statements	52

*This page has been intentionally left blank.*



# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS

April 30, 2011

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

---

The Village of Indian Head Park, Illinois (the "village") was incorporated in 1959. The village is a non home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The village operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of Indian Head Park, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### ***A. REPORTING ENTITY***

This report includes all of the funds of the Village of Indian Head Park. The reporting entity for the village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government. This report does not contain any component units.

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

##### ***Government-Wide Financial Statements***

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

##### ***Fund Financial Statements***

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The village reports the following major governmental funds:

- General Fund - accounts for the village's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Motor Fuel Tax Fund - is used to account for state shared motor fuel tax revenues that are legally restricted to maintenance and construction of streets, sidewalks, alleys and signals.
- Bond Debt Service Fund - is used to account for the accumulation of funds for the periodic payment of principal and interest on long-term debt and related costs not being financed by proprietary or fiduciary funds.
- Capital Improvements Fund - is used to account for financial resources to be used for the acquisition and construction of major capital improvements not being financed by proprietary or fiduciary funds.

The village reports the following major enterprise funds:

- Water Fund - accounts for operations of the water distribution and sewer systems on a continuous basis.

The village reports the following non-major governmental funds:

- Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- 911 Fund
  - Special Parks Fund

- Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

- Road Improvement Bond Fund
  - Public Works Facility Fund

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

In addition, the village reports the following fund types:

Agency fund is used to account for assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Agency Fund - Performance bonds

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

##### ***Government-Wide Financial Statements***

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of state shared income taxes. Shared income taxes will be considered available as the state being greater than 60 days behind on payments for income taxes to local governments is considered to be a highly unusual circumstance. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)*

##### *Fund Financial Statements (cont.)*

The first installment of property taxes are recognized in the year levied as revenue. The second installment of property taxes are recorded as receivables and deferred revenues. The second installment of property taxes are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services and interest. Other general revenues such as fines and forfeitures, fees, licenses and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The enterprise fund follows all pronouncements of the Governmental Accounting Standards Board, and has elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## VILLAGE OF INDIAN HEAD PARK

### NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

#### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

##### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)*

###### *All Financial Statements*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

##### *D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY*

###### *1. Deposits and Investments*

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

The village has adopted an investment policy. That policy follows the state statute for allowable investments.

###### **Interest Rate Risk**

The village's investment policies seek to ensure preservation of capital in the village's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The village's policies limit the village to investments with a maturity of no more than 20 years from the date of purchase, unless matched to a specific cash flow. However, all of the policies requires the village's investment portfolio to be sufficiently liquid to enable the village and pensions to meet all operating requirements as they come due.

###### **Credit Risk**

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The village's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds. As of April 30, 2011, the village had no investments subject to credit risk.

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)*

##### *1. Deposits and Investments (cont.)*

#### **Concentration of Credit Risk**

The village's policies require diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The village's policy further states that no financial institution shall hold more than 50% of the village's investment portfolio at the current time of investment placement. The village operates its investments as an internal investment pool where each fund reports its pro rata share of the investments made by the village. In this internal investment pool there were no investments which are subject to concentration for credit risk that represent more than 5% of the portfolio as of April 30, 2011.

#### **Custodial Credit Risk - Deposits**

The village's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 102% of the value of the deposit.

#### **Custodial Credit Risk - Investments**

The village's investment policies require all securities to be held by a third party custodian and evidenced by safekeeping receipts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

See Note III. A. for further information.

##### *2. Receivables*

Property taxes for levy year 2010 attaches as an enforceable lien on January 1, 2010, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)***

##### ***2. Receivables (cont.)***

Tax bills are prepared by Cook County and issued on or about March 1 and September 1 and are payable in two installments, on or about April 1 and October 1 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2nd installment of the 2010 property tax levy is recognized as a receivable and deferral in fiscal 2011. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2011, the property taxes receivable and deferred tax revenue consisted of the estimated amount collectible from the 2nd installment of the 2010 levy.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles. Due to the high percentage of collections, a receivable allowance has not been established.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

##### ***3. Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

##### ***4. Capital Assets***

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Prior to January 2004, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB No. 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but GASB No. 34 does not require the village to retroactively report all major general infrastructure assets. As of April 30, 2011, the village has not retroactively reported all infrastructure acquired by its governmental fund types.



# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)***

##### ***4. Capital Assets (cont.)***

###### ***Government-Wide Statements (cont.)***

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements	50 Years
Land Improvements	50 Years
Equipment	8-12 Years
Infrastructure	20-67 Years
Water and Distribution System	20-67 Years
Well Houses	20-67 Years

The village does not depreciate land.

###### ***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

##### ***5. Compensated Absences***

Employees earn a specified amount of vacation and sick leave each year. Vacations must be taken in the year following the year in which earned. Sick leave may be accumulated for future use, but employees are not compensated for unused sick leave upon termination. The liability for unpaid vacation pay is recognized based on the employees' current rate of pay at year-end.

##### ***6. Long-Term Obligations***

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)*

##### *6. Long-Term Obligations/Conduit Debt (cont.)*

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

The village may approve the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. There were no IRB's outstanding at year end.

##### *7. Claims and Judgments*

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

##### *8. Equity Classifications*

###### *Government-Wide Statements*

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the village's policy to use restricted resources first, then unrestricted resources as they are needed.

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)*

##### *8. Equity Classifications (cont.)*

##### *Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

---

### NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

---

#### *A. BUDGETARY INFORMATION*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Road Improvement Bond Fund and the Public Works Facility Fund. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse at fiscal year end.

Prior to April 30, the village Clerk submits to the village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to July 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

The village is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the village Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The village Finance Director is authorized to transfer budget amounts between departments within any fund; however, the village Board must approve revisions that alter the total expenditures of any fund.

## VILLAGE OF INDIAN HEAD PARK

### NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

#### NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

---

##### *B. DEFICIT BALANCES*

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2011, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Public Works Facility	\$ 5,841	Fund incurred expenditures exceeding available assets
911	66,058	Fund incurred expenditures exceeding available assets

---

---

#### NOTE III - DETAILED NOTES ON ALL FUNDS

---

##### *A. DEPOSITS AND INVESTMENTS*

The village's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 523,315	\$ 562,812	Custodial credit
Other investments - Illinois Funds	338,924	338,924	Interest rate
Cash on hand	<u>4,419</u>	<u>-</u>	N/A
Total Deposits and Investments	<u>\$ 866,658</u>	<u>\$ 901,736</u>	
Reconciliation to financial statements			
Per statement of net assets			
Cash and investments	\$ 785,740		
Per statement of net assets- fiduciary funds			
Agency cash and investments	<u>80,918</u>		
Total Deposits and Investments	<u>\$ 866,658</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and is unlimited for noninterest bearing accounts.

## VILLAGE OF INDIAN HEAD PARK

### NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

#### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

---

##### *A. DEPOSITS AND INVESTMENTS (cont.)*

##### *Custodial Credit Risk*

##### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

Due to a change in banks, the village did not have a collateral agreement in place as of April 30, 2011, leaving \$87,352 uncollateralized. The Village subsequently entered into a collateral agreement with its new bank.

##### **Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The village does not have any investments exposed to custodial credit risk.

##### *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. As of April 30, 2011, the village had an investment in Illinois Funds of \$338,924 that is available on demand that is exposed to interest rate risk.

See Note I D.1. for further information on deposit and investment policies.

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS

April 30, 2011

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor, proprietary, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Motor Fuel Tax Fund	Bond Debt Service Fund	Water & Sewer Fund	Nonmajor Funds	Totals
Receivables						
Real estate taxes	\$ 479,260	\$ -	\$ 58,397	\$ -	\$ 14,954	\$ 552,611
Accounts	-	-	-	172,298	-	172,298
Sales tax	70,359	-	-	-	-	70,359
Local use tax	12,693	-	-	-	-	12,693
Utility tax	14,072	-	-	-	-	14,072
Telecommunicatio ns tax	34,583	-	-	-	-	34,583
State income tax	134,260	-	-	-	-	134,260
Motor fuel tax	-	7,606	-	-	-	7,606
911 allotment	-	-	-	-	5,226	5,226
Other	18,349	-	-	-	-	18,349
Total	<u>\$ 763,576</u>	<u>\$ 7,606</u>	<u>\$ 58,397</u>	<u>\$ 172,298</u>	<u>\$ 20,180</u>	<u>\$1,022,057</u>

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 538,256	\$ 538,256
Other taxes receivable	39,212	-	39,212
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 39,212</u>	<u>\$ 538,256</u>	<u>\$ 577,468</u>

Under the accrual method deferred revenue is recognized as revenue in the period earned. An exception in Illinois is real estate taxes, whereby the intent of the village is to finance the following year's operations with those monies. Therefore, these amounts will remain deferred revenue or unearned for the government-wide statements.

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

### **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

#### **C. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 868,988	\$ -	\$ -	\$ 868,988
Total Capital Assets Not Being Depreciated	<u>868,988</u>	<u>-</u>	<u>-</u>	<u>868,988</u>
Capital assets being depreciated				
Land Improvements	360,756	-	-	360,756
Buildings and improvements	1,976,792	-	-	1,976,792
Equipment	597,872	-	-	597,872
Infrastructure	295,069	-	-	295,069
Total Capital Assets Being Depreciated	<u>3,230,489</u>	<u>-</u>	<u>-</u>	<u>3,230,489</u>
Total Capital Assets	<u>4,099,477</u>	<u>-</u>	<u>-</u>	<u>4,099,477</u>
Less: Accumulated depreciation for				
Land Improvements	(154,640)	(18,039)	-	(172,679)
Buildings and improvements	(620,215)	(39,536)	-	(659,751)
Equipment	(438,266)	(31,443)	-	(469,709)
Infrastructure	(48,172)	(13,728)	-	(61,900)
Total Accumulated Depreciation	<u>(1,261,293)</u>	<u>(102,746)</u>	<u>-</u>	<u>(1,364,039)</u>
Net Capital Assets Being Depreciated	<u>1,969,196</u>	<u>(102,746)</u>	<u>-</u>	<u>1,866,450</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,838,184</u>	<u>\$ (102,746)</u>	<u>\$ -</u>	<u>\$ 2,735,438</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 17,144
Public safety	34,917
Public works, which includes the depreciation of infrastructure	42,546
Health and human services	1,000
Culture and recreation	7,139
Total Governmental Activities Depreciation Expense	<u>\$ 102,746</u>

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### C. CAPITAL ASSETS (cont.)

#### Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets being depreciated				
Well houses	\$ 481,000	\$ -	\$ -	\$ 481,000
Water and distribution system	2,242,084	-	-	2,242,084
Equipment	286,902	-	-	286,902
Infrastructure	<u>1,173,754</u>	<u>-</u>	<u>-</u>	<u>1,173,754</u>
Total Capital Assets Being Depreciated	<u>4,183,740</u>	<u>-</u>	<u>-</u>	<u>4,183,740</u>
Less: Accumulated depreciation for				
Well houses	(429,960)	(16,033)	-	(445,993)
Water and distribution system	(1,856,829)	(53,008)	-	(1,909,837)
Equipment	(286,609)	(293)	-	(286,902)
Infrastructure	<u>(919,574)</u>	<u>(17,519)</u>	<u>-</u>	<u>(937,093)</u>
Total Accumulated Depreciation	<u>(3,492,972)</u>	<u>(86,853)</u>	<u>-</u>	<u>(3,579,825)</u>
Net Capital Assets Being Depreciated	<u>690,768</u>	<u>(86,853)</u>	<u>-</u>	<u>603,915</u>
Net Water Plant	<u>\$ 690,768</u>	<u>\$ (86,853)</u>	<u>\$ -</u>	<u>\$ 603,915</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 690,768</u>	<u>\$ (86,853)</u>	<u>\$ -</u>	<u>\$ 603,915</u>



# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### *D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS*

##### *Interfund Receivables/Payables*

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Public works facility fund	\$ 27,947
Bond debt service fund	General fund	90,449
Capital improvements fund	911 fund	71,284
Proprietary fund	General fund	<u>129,683</u>
Total - Fund Financial Statements		319,363
Less: Fund eliminations		<u>(189,680)</u>
Total Internal Balances - Government-Wide Statement of Net Assets		<u>\$ 129,683</u>

No interfunds are considered collectible within one year. A reservation of fund balance has been recorded for these amounts to reflect this fact.

The principal purpose of these interfunds is to record a payable for an expenditure paid out of another fund or to alleviate cash deficit situations.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

##### *Transfers*

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Proprietary fund	\$ 12,000	To cover operating expenses paid by the General Fund.
General fund	Motor fuel tax fund	<u>13,992</u>	To cover operating expenses paid by the General Fund.
Total - Fund Financial Statements		25,992	
Less: Fund eliminations		<u>(13,992)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 12,000</u>	

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

---

#### *D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)*

##### *Transfers (cont.)*

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

#### *E. SHORT-TERM DEBT ACTIVITY*

The village established a short-term line of credit due to an unexpected delay in the issuance of real estate tax bills by Cook County and the resulting delay in the receipt of real estate tax revenue by the village. The line of credit has a limit of \$400,000, an annual rate equal to 6% on the unpaid principal balance, was issued on November 24, 2010 with a maturity of 12 months. The village drew \$150,000 on this line of credit in November 2010 and repaid the line of credit in March of 2011. The village also renewed their revolving line of credit. The revolving line of credit has a limit of \$100,000, together with interest at an annual rate equal to 6% on the unpaid principal balance, and was issued on March 12, 2010 with a maturity of 12 months. There were no outstanding balances at year end.

Short-term debt activity for the year ended April 30, 2011, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Pan American Bank - LOC	\$ -	\$ 150,000	\$ 150,000	\$ -
Totals	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ -</u>

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 195,000	\$ -	\$ 95,000	\$ 100,000	\$ 100,000
Debt certificates	1,040,000	-	15,000	1,025,000	15,000
Add/(Subtract) Deferred Amounts For					
Refundings	(38,589)	-	(12,863)	(25,726)	(12,863)
Sub-totals	<u>1,196,411</u>	<u>-</u>	<u>97,137</u>	<u>1,099,274</u>	<u>102,137</u>
Other Liabilities					
Vested compensated absences	44,232	58,249	55,721	46,760	46,760
Capital leases	31,743	-	15,400	16,343	16,343
Total Other Liabilities	<u>75,975</u>	<u>58,249</u>	<u>71,121</u>	<u>63,103</u>	<u>63,103</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,272,386</u>	<u>\$ 58,249</u>	<u>\$ 168,258</u>	<u>\$ 1,162,377</u>	<u>\$ 165,240</u>
<b>Business-type Activities</b>					
Other Liabilities					
Vested compensated absences	\$ 17,626	\$ 12,744	\$ 11,386	\$ 18,984	\$ 18,984
Total Other Liabilities	<u>17,626</u>	<u>12,744</u>	<u>11,386</u>	<u>18,984</u>	<u>18,984</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 17,626</u>	<u>\$ 12,744</u>	<u>\$ 11,386</u>	<u>\$ 18,984</u>	<u>\$ 18,984</u>

The village is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the village. As of April 30, 2011, the statutory debt limit for the village was \$15,935,414, providing a debt margin of \$14,810,414. The 2009 debt certificates are paid out of the public works facility fund, the compensated absences and capital leases are paid out of the general fund.

#### **General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 04/30/11
Series 1997	07/11/1996	12/01/2011	4.75%-5.70%	\$ 1,085,000	\$ 100,000
Total Governmental Activities - General Obligation Debt					<u>\$ 100,000</u>

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

##### General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2012	\$ 100,000	\$ 5,400
Totals	\$ 100,000	\$ 5,400

##### Debt Certificates

Debt certificates have been issued to provide funds for the repayment of prior obligations, for capital projects, and to pay the cost of issuance. Debt certificates are direct obligations and pledge the full faith and credit of the village.

Incentive Agreements at April 30, 2011 consist of the following:

Governmental Activities Debt Certificates	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 04/30/11
Series 2009	8/19/09	12/15/2020	2.50% - 5.90%	\$ 1,050,000	\$ 1,025,000
Total Governmental Activities Debt Certificates					\$ 1,025,000

Debt service requirements to maturity are as follows:

Years	Governmental Activities Debt Certificates	
	Principal	Interest
2012	\$ 15,000	\$ 52,066
2013	16,000	51,541
2014	104,000	50,901
2015	109,000	46,741
2016	115,000	41,836
2017-2021	666,000	115,591
Totals	\$ 1,025,000	\$ 358,676

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

---

#### *F. LONG-TERM OBLIGATIONS (cont.)*

##### *Prior-Year Defeasance of Debt*

In prior years, the village defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the village's financial statements. At 04/30/11, \$658,000 of bonds outstanding are considered defeased. The bonds are callable as follows:

<u>Call Date</u>	<u>Amount</u>
12/1/2011	\$ 50,000
12/1/2012	635,000

#### *G. LEASE DISCLOSURES*

##### *Lessee - Capital Leases*

In prior years, the the village acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$105,829, which are included in capital assets in the governmental and business-type activities. The future minimum lease obligations and the net present value on these minimum lease payments as of April 30, 2011, are as follows:

<u>Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 16,343	\$ 659	\$ 17,002
Totals	<u>\$ 16,343</u>	<u>\$ 659</u>	<u>\$ 17,002</u>

---

### NOTE IV - OTHER INFORMATION

---

#### *A. EMPLOYEES' RETIREMENT SYSTEM*

##### *Illinois Municipal Retirement Fund*

*Plan Description.* The village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE IV - OTHER INFORMATION (cont.)

---

#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

##### ***Illinois Municipal Retirement Fund (cont.)***

*Funding Policy.* As set by statute, employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to the member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 used by the employer was 8.72 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 11.30 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefit rate is set by statute.

*Annual Pension Cost.* For the year ended December 31, 2009 and 2008 the village's annual pension cost of \$95,546 and \$120,240, respectively was equal to the village's required and actual contributions. For calendar year ending December 31, 2010, the employer's actual contributions for pension costs for the Regular Illinois Municipal Retirement were \$100,895. It's required contribution for calendar 2010 was \$130,747, resulting in a net IMRF pension obligation of \$29,852. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 80.11 percent funded. The actuarial accrued liability for benefits was \$4,409,733 and the actuarial value of assets was \$3,244,239 resulting in an underfunded actuarial accrued liability (UAAL) of \$805,494. The covered payroll (annual payroll of active employees covered by the plan) was \$1,157,057 and the ratio of the UAAL to the covered payroll was 70 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### **B. RISK MANAGEMENT**

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

# VILLAGE OF INDIAN HEAD PARK

## NOTES TO FINANCIAL STATEMENTS April 30, 2011

---

### NOTE IV - OTHER INFORMATION (cont.)

---

#### *B. RISK MANAGEMENT (cont.)*

##### *Public Entity Risk Pool*

##### **IRMA**

The village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois that have formed an association under the Illinois Intergovernmental Co-operations Statute to pool their risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the bylaws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to any membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

#### *C. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS*

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, Statement No. 61, The Financial Reporting Entity: Omnibus, and Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Application of these standards may restate portions of these financial statements.

*This page has been intentionally left blank.*



**REQUIRED SUPPLEMENTARY INFORMATION**

# VILLAGE OF INDIAN HEAD PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended April 30, 2011

With Comparative Actual Amounts for the Year Ended April 30, 2010

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>				
Property taxes	\$ 817,015	\$ 824,635	\$ 7,620	\$ 905,360
Other taxes	615,000	647,780	32,780	594,627
Intergovernmental	330,265	293,310	(36,955)	311,796
Licenses, permits and fees	295,450	319,378	23,928	297,182
Fines and forfeiture	35,000	43,076	8,076	39,934
Charges for services	113,815	116,608	2,793	120,162
Reimbursements	13,250	16,951	3,701	5,723
Investment income	100	189	89	123
Miscellaneous	6,700	4,413	(2,287)	30,972
Total Revenues	<u>2,226,595</u>	<u>2,266,340</u>	<u>39,745</u>	<u>2,305,879</u>
<b>EXPENDITURES</b>				
General government	932,141	842,801	89,340	1,028,309
Public safety	1,080,380	975,527	104,853	988,055
Public works	236,834	162,017	74,817	205,733
Capital Outlay	47,800	831	46,969	2,771
Debt service - principal	-	15,400	(15,400)	14,513
Debt service - interest	-	4,684	(4,684)	2,489
Total Expenditures	<u>2,297,155</u>	<u>2,001,260</u>	<u>295,895</u>	<u>2,241,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,560)</u>	<u>265,080</u>	<u>335,640</u>	<u>64,009</u>
<b>OTHER FINANCING SOURCES</b>				
Sales of capital assets	1,500	-	(1,500)	-
Debt certificates issued	-	-	-	117,304
Transfers in	26,000	25,992	(8)	26,000
Total Other Financing Sources	<u>27,500</u>	<u>25,992</u>	<u>(1,508)</u>	<u>143,304</u>
<b>Net Change in Fund Balance</b>	<u>\$ (43,060)</u>	<u>291,072</u>	<u>\$ 334,132</u>	<u>207,313</u>
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>		<u>(281,539)</u>		<u>(488,852)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>		<u>\$ 9,533</u>		<u>\$ (281,539)</u>

See auditors' report and accompanying notes to required supplementary information.

## VILLAGE OF INDIAN HEAD PARK

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX FUND For the Year Ended April 30, 2011 With Comparative Actual Amounts for the Year Ended April 30, 2010

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>				
Motor fuel tax	\$ 94,336	\$ 109,228	\$ 14,892	\$ 92,108
Investment income	500	379	(121)	294
Road plan fees	150	-	(150)	-
Total Revenues	<u>94,986</u>	<u>109,607</u>	<u>14,621</u>	<u>92,402</u>
<b>EXPENDITURES</b>				
Highways and Streets				
Professional services	7,000	-	7,000	18,863
Road maintenance	38,392	31,731	6,661	24,821
Salt	40,000	35,251	4,749	25,628
Snow removal	10,450	22,692	(12,242)	10,452
Miscellaneous	200	-	200	-
Utilities	24,200	23,887	313	23,369
Total Expenditures	<u>120,242</u>	<u>113,561</u>	<u>6,681</u>	<u>103,133</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,256)</u>	<u>(3,954)</u>	<u>21,302</u>	<u>(10,731)</u>
<b>OTHER FINANCING USES</b>				
Transfers (out)	(14,000)	(13,992)	8	(14,000)
Total Other Financing Uses	<u>(14,000)</u>	<u>(13,992)</u>	<u>8</u>	<u>(14,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (39,256)</u>	<u>(17,946)</u>	<u>\$ 21,310</u>	<u>(24,731)</u>
FUND BALANCE - Beginning of Year		<u>253,799</u>		<u>278,530</u>
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 235,853</u>		<u>\$ 253,799</u>

See auditors' report and accompanying notes to required supplementary information.

# VILLAGE OF INDIAN HEAD PARK

## SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS ILLINOIS MUNICIPAL RETIREMENT FUND April 30, 2011

<u>Actuarial Valuation Date</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 130,747	77.00%	\$ 29,852
12/31/09	95,546	100.00%	-
12/31/08	120,240	100.00%	-

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/10	\$ 3,244,239	\$ 4,049,733	\$ 805,494	80.11%	\$ 1,157,057	69.62%
12/31/09	2,990,850	3,762,813	771,963	79.48%	1,204,864	64.07%
12/31/08	3,082,219	3,746,325	664,106	82.27%	1,268,350	52.36%
12/31/07	3,196,247	3,145,453	(50,794)	101.61%	1,117,812	-%
12/31/06	2,863,047	3,087,193	224,146	92.74%	1,082,401	20.71%
12/31/05	2,302,801	2,824,149	521,348	81.54%	1,091,645	47.76%

### Digest of Changes

#### Assumptions

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$3,409,011. On a market basis, the funded ratio would be 84.18%.

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	12/31/2010
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	23
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	0.40% - 10.0%
Inflation factor	4.00%
Cost of living adjustments	3.00%

## VILLAGE OF INDIAN HEAD PARK

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION April 30, 2011

---

#### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

*This page has been intentionally left blank.*

## SUPPLEMENTARY INFORMATION

# VILLAGE OF INDIAN HEAD PARK

## DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended April 30, 2011  
with Comparative Actual Amounts for the Year Ended April 30, 2010

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>PROPERTY TAXES</b>				
Property taxes	\$ 817,015	\$ 824,635	\$ 7,620	\$ 905,360
Total Property Taxes	<u>817,015</u>	<u>824,635</u>	<u>7,620</u>	<u>905,360</u>
<b>OTHER TAXES</b>				
Sales	275,000	284,038	9,038	253,328
Local use	-	51,893	51,893	42,213
Utility taxes	190,000	174,648	(15,352)	154,733
Telecommunication	<u>150,000</u>	<u>137,201</u>	<u>(12,799)</u>	<u>144,353</u>
Total Other Taxes	<u>615,000</u>	<u>647,780</u>	<u>32,780</u>	<u>594,627</u>
<b>INTERGOVERNMENTAL TAXES</b>				
State income tax	327,965	292,031	(35,934)	309,546
Personal property replacement tax	1,200	1,279	79	1,150
Federal grants	<u>1,100</u>	<u>-</u>	<u>(1,100)</u>	<u>1,100</u>
Total Intergovernmental Taxes	<u>330,265</u>	<u>293,310</u>	<u>(36,955)</u>	<u>311,796</u>
<b>LICENSES, PERMITS AND FEES</b>				
Vehicle license fees	155,000	155,030	30	155,345
Business licenses	60,000	66,857	6,857	70,248
Alarm licenses	450	350	(100)	175
Building permit fees	15,000	20,768	5,768	13,754
Franchise fees	<u>65,000</u>	<u>76,373</u>	<u>11,373</u>	<u>57,660</u>
Total Licenses, Permits and Fees	<u>295,450</u>	<u>319,378</u>	<u>23,928</u>	<u>297,182</u>
<b>FINES AND FORFEITURE</b>				
Court and traffic fines	<u>35,000</u>	<u>43,076</u>	<u>8,076</u>	<u>39,934</u>
Total Fines and Forfeiture	<u>35,000</u>	<u>43,076</u>	<u>8,076</u>	<u>39,934</u>
<b>CHARGES FOR SERVICES</b>				
Public hearing fees	2,000	500	(1,500)	-
Lyons township hireback	95,815	101,204	5,389	104,045
Highlands school district patrol	1,500	2,079	579	1,527
Smoke signals advertisements	7,000	4,925	(2,075)	6,090
Elevator inspections	<u>7,500</u>	<u>7,900</u>	<u>400</u>	<u>8,500</u>
Total Charges for Services	<u>113,815</u>	<u>116,608</u>	<u>2,793</u>	<u>120,162</u>
<b>REIMBURSEMENTS</b>				
Developer's reimbursements	12,000	-	(12,000)	1,027
Miscellaneous reimbursements	1,000	16,951	15,951	4,696
Police training reimbursements	<u>250</u>	<u>-</u>	<u>(250)</u>	<u>-</u>
Total Reimbursements	<u>13,250</u>	<u>16,951</u>	<u>3,701</u>	<u>5,723</u>



## VILLAGE OF INDIAN HEAD PARK

### DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended April 30, 2011  
with Comparative Actual Amounts for the Year Ended April 30, 2010

	2011		
	Original and Final Budget	Actual	Variance with Final Budget
			2010 Actual
<b>INVESTMENT INCOME</b>			
Investment income	\$ 100	\$ 189	\$ 89
Total Investment Income	<u>100</u>	<u>189</u>	<u>89</u>
<b>MISCELLANEOUS</b>			
Police seizure	3,000	-	(3,000)
Heritage center contributions	2,700	4,030	1,330
Contributions	250	-	(250)
Jubilee revenue	-	-	-
Wolf road contributions	250	-	(250)
Miscellaneous	<u>500</u>	<u>383</u>	<u>(117)</u>
Total Miscellaneous	<u>6,700</u>	<u>4,413</u>	<u>(2,287)</u>
<b>TOTAL REVENUES</b>	<u>\$ 2,226,595</u>	<u>\$ 2,266,340</u>	<u>\$ 39,745</u>
			<u>\$ 2,305,879</u>

# VILLAGE OF INDIAN HEAD PARK

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended April 30, 2011

With Comparative Actual Amounts for the Year Ended April 30, 2010

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>GENERAL GOVERNMENT</b>				
President and Village Board				
Salaries	\$ 33,200	\$ 33,650	\$ (450)	\$ 33,425
Meeting/conferences/training	1,500	30	1,470	1,274
Membership fees	7,200	7,292	(92)	8,040
Office equipment	-	-	-	680
Miscellaneous	250	128	122	-
Total President and Village Board	<u>42,150</u>	<u>41,100</u>	<u>1,050</u>	<u>43,419</u>
Administration				
Salaries	\$ 147,684	\$ 143,479	\$ 4,205	\$ 152,247
Overtime	500	-	500	76
Salaries - smoke signal	2,000	1,400	600	1,800
Ads/copying/printing	100	-	100	23
Equipment maintenance	1,000	603	397	-
Budget preparation	1,250	1,200	50	-
Meeting/conference/training	500	397	103	309
Membership fees	175	125	50	175
Postage	3,500	2,393	1,107	3,685
Professional services - data processing	9,000	9,568	(568)	9,411
Publications - legal notices	1,000	651	349	846
Brookside sales tax agreement	-	-	-	16,713
Administrative	150	-	150	137
Office supplies	4,500	2,606	1,894	3,780
Periodicals	50	54	(4)	25
Vehicle licenses / decals	2,800	3,697	(897)	3,164
Computer software	400	-	400	131
Office equipment	3,000	2,838	162	2,020
Miscellaneous	500	1,084	(584)	-
IMRF contributions	103,000	85,606	17,394	81,921
Social security	<u>103,000</u>	<u>86,215</u>	<u>16,785</u>	<u>96,067</u>
Total Administration	<u>384,109</u>	<u>341,916</u>	<u>42,193</u>	<u>372,530</u>
Liability Insurance				
Insurance premium	69,560	55,269	14,291	65,374
IRMA deductible	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>2,720</u>
Total Liability Insurance	<u>77,060</u>	<u>55,269</u>	<u>21,791</u>	<u>68,094</u>
Buildings and Grounds				
Maintenance services - garage	6,500	4,810	1,690	9,286
Maintenance services - village hall/police	5,000	5,561	(561)	8,191
Custodial services	16,000	12,430	3,570	13,685
Garage supplies	2,000	2,120	(120)	1,926

# VILLAGE OF INDIAN HEAD PARK

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended April 30, 2011

With Comparative Actual Amounts for the Year Ended April 30, 2010

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>GENERAL GOVERNMENT (cont.)</b>				
Maintenance - heritage	\$ 2,000	\$ 1,392	\$ 608	\$ 1,554
Landscape supplies	2,000	1,212	788	1,304
Maintenance supplies - village hall/police	2,500	2,481	19	2,197
Heritage center	250	261	(11)	315
Blacktop municipal facility	1,500	-	1,500	71,226
Office Equipment	5,000	-	5,000	1,200
Total Buildings and Grounds	42,750	30,267	12,483	110,884
Building Department				
Professional services - building inspector	3,500	2,040	1,460	2,205
Professional services - electrical inspector	1,500	1,350	150	630
Professional services - elevator inspector	2,000	2,150	(150)	1,963
Professional services - plan review	4,000	5,200	(1,200)	3,875
Professional services - plumbing inspector	1,500	1,350	150	450
Professional services - engineering	-	3,000	(3,000)	-
Office supplies	200	116	84	72
Periodicals	100	-	100	-
Total Building Department	12,800	15,206	(2,406)	9,195
Fire and Police Commission				
Membership fees	400	375	25	375
Professional services - legal	2,000	290	1,710	493
Salaries	700	700	-	-
Meeting/conference/training	200	-	200	-
Publication/legal notices	250	333	(83)	-
Office supplies	100	100	-	-
Total Fire and Police Commission	3,650	1,798	1,852	868
Planning and Zoning				
Salaries	2,000	450	1,550	675
Publications/legal notices	800	173	627	200
Office supplies	250	250	-	-
Total Planning and Zoning	3,050	873	2,177	875
Outside Services				
Concerts in the park	-	-	-	7,839
Employee relations	500	602	(102)	879
Community relations	500	71	429	2,151
Health and life insurance	197,517	210,041	(12,524)	200,520

# VILLAGE OF INDIAN HEAD PARK

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended April 30, 2011

With Comparative Actual Amounts for the Year Ended April 30, 2010

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>GENERAL GOVERNMENT (cont.)</b>				
Professional services - legal	\$ 100,000	\$ 92,947	\$ 7,053	\$ 129,385
Professional services - prosecutor	11,000	9,800	1,200	10,525
Smoke signals	14,000	8,630	5,370	11,165
Telephone/communications	17,000	15,868	1,132	17,487
Unemployment insurance	5,000	2,612	2,388	2,908
Professional services - consulting	500	-	500	14,331
Accounting	20,355	15,801	4,554	25,254
Miscellaneous expenses	200	-	200	-
Total Outside Services	<u>366,572</u>	<u>356,372</u>	<u>10,200</u>	<u>422,444</u>
 Total General Government	 <u>932,141</u>	 <u>842,801</u>	 <u>89,340</u>	 <u>1,028,309</u>
 <b>PUBLIC SAFETY</b>				
Salaries	807,850	749,632	58,218	752,862
Overtime	115,000	82,044	32,956	96,524
Lyons township hireback	59,280	65,830	(6,550)	61,537
Vehicle/equipment maintenance	35,000	22,538	12,462	21,604
Safety equipment	3,000	2,212	788	1,460
Maintenance materials	1,000	193	807	1,066
Gas and oil	22,000	25,345	(3,345)	23,510
Meeting/conference/training	7,500	7,053	447	4,065
Membership fees	500	115	385	308
Clothing and uniforms	15,000	5,607	9,393	7,893
Vehicles/Other Equipment	30,000	831	29,169	-
Telephone/communications	6,000	5,030	970	9,904
Postage	500	88	412	272
Office supplies	5,000	2,411	2,589	3,285
Animal control	250	620	(370)	90
Miscellaneous	500	300	200	792
Office equipment	1,000	4,059	(3,059)	2,883
CALEA consulting	1,000	2,450	(1,450)	-
Total Public Safety	<u>1,110,380</u>	<u>976,358</u>	<u>134,022</u>	<u>988,055</u>
 <b>PUBLIC WORKS</b>				
Salaries	41,004	41,259	(255)	43,825
Salaries - temporary	7,360	6,784	576	7,816
Overtime	15,120	15,950	(830)	13,079
Meeting/conference/training	750	1,752	(1,002)	1,580
Membership fees	350	401	(51)	391
Clothing and uniforms	1,000	930	70	837
Office supplies	1,750	1,613	137	1,744
Office equipment	500	-	500	1,169

# VILLAGE OF INDIAN HEAD PARK

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended April 30, 2011

With Comparative Actual Amounts for the Year Ended April 30, 2010

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Postage	\$ 250	\$ 63	\$ 187	\$ 385
Telephone/communications	4,000	5,003	(1,003)	4,721
Electricity	2,750	-	2,750	1,042
Professional services - engineering	32,400	13,500	18,900	32,400
Professional services - landscaping/leaf removal	2,500	1,764	736	15,611
Engineering - developer/prop C	12,000	-	12,000	-
Utility expense	8,600	4,887	3,713	4,909
Tree maintenance	10,000	9,109	891	8,250
Streets and parkways maintenance	6,500	2,675	3,825	4,153
Vehicles/other equipment	15,000	19,174	(4,174)	20,007
Vehicles/other equipment	17,800	-	17,800	2,771
Equipment/vehicle maintenance	5,250	3,488	1,762	5,921
Equipment rental	3,500	3,405	95	3,081
Streets and parkways materials	4,000	3,599	401	4,007
Storm sewer materials	1,000	1,230	(230)	766
Tree program	500	835	(335)	819
Leaf program	-	558	(558)	187
Tools and hardware	500	763	(263)	1,773
Gas and oil	8,000	10,097	(2,097)	9,340
Storm sewer maintenance	28,150	11,614	16,536	16,307
Safety equipment	1,750	961	789	833
Drainage materials	2,000	247	1,753	718
Professional services - tree consultant	250	-	250	-
Miscellaneous	100	356	(256)	62
Construction storm sewer	20,000	-	20,000	-
Total Public Works	<u>254,634</u>	<u>162,017</u>	<u>92,617</u>	<u>208,504</u>
<b>DEBT SERVICE</b>				
Debt service - principal	-	15,400	(15,400)	14,513
Debt service - interest	-	4,684	(4,684)	2,489
Total Debt Service	<u>-</u>	<u>20,084</u>	<u>(20,084)</u>	<u>17,002</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,297,155</u>	<u>\$ 2,001,260</u>	<u>\$ 295,895</u>	<u>\$ 2,241,870</u>

# VILLAGE OF INDIAN HEAD PARK

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS April 30, 2011

	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	911	Special Parks	Road Improvement Bond	Public Works Facility	
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 9,043	\$ 20,364	\$ 22,106	\$ 51,513
Receivables (net)					
Property taxes	-	14,954	-	-	14,954
Other receivables	5,226	-	-	-	5,226
<b>TOTAL ASSETS</b>	<u>\$ 5,226</u>	<u>\$ 23,997</u>	<u>\$ 20,364</u>	<u>\$ 22,106</u>	<u>\$ 71,693</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Due to other funds	\$ 71,284	\$ -	\$ -	\$ 27,947	\$ 99,231
Deferred revenues	-	14,545	-	-	14,545
Total Liabilities	<u>71,284</u>	<u>14,545</u>	<u>-</u>	<u>27,947</u>	<u>113,776</u>
Fund Balances					
Special revenue funds	(66,058)	9,452	-	-	(56,606)
Capital projects funds	-	-	20,364	(5,841)	14,523
Total Fund Balances	<u>(66,058)</u>	<u>9,452</u>	<u>20,364</u>	<u>(5,841)</u>	<u>(42,083)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 5,226</u>	<u>\$ 23,997</u>	<u>\$ 20,364</u>	<u>\$ 22,106</u>	<u>\$ 71,693</u>

# VILLAGE OF INDIAN HEAD PARK

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2011

	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	911	Special Parks	Road Improvement Bond	Public Works Facility	
<b>REVENUES</b>					
Property taxes	\$ -	\$ 26,782	\$ -	\$ -	\$ 26,782
911 surcharge	77,006	-	-	-	77,006
Rentals	-	-	-	81,068	81,068
Investment income	3	-	-	-	3
Total Revenues	<u>77,009</u>	<u>26,782</u>	<u>-</u>	<u>81,068</u>	<u>184,859</u>
<b>EXPENDITURES</b>					
Current					
Public safety	112,197	-	-	-	112,197
Culture and recreation	-	25,965	-	-	25,965
Debt Service					
Debt service - principal	-	-	-	15,000	15,000
Debt service - interest	-	-	-	52,516	52,516
Total Expenditures	<u>112,197</u>	<u>25,965</u>	<u>-</u>	<u>67,516</u>	<u>205,678</u>
<b>Net Change in Fund Balances</b>	(35,188)	817	-	13,552	(20,819)
<b>FUND BALANCES (DEFICIT)</b>					
- Beginning of Year	<u>(30,870)</u>	<u>8,635</u>	<u>20,364</u>	<u>(19,393)</u>	<u>(21,264)</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ (66,058)</u>	<u>\$ 9,452</u>	<u>\$ 20,364</u>	<u>\$ (5,841)</u>	<u>\$ (42,083)</u>

*This page has been intentionally left blank.*



## VILLAGE OF INDIAN HEAD PARK

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BOND DEBT SERVICE For the Year Ended April 30, 2011 With Comparative Actual Amounts for the Year Ended April 30, 2010

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>				
Property taxes	\$ 109,765	\$ 107,475	\$ (2,290)	\$ 116,627
Investment income	50	2	(48)	14
Total Revenues	<u>109,815</u>	<u>107,477</u>	<u>(2,338)</u>	<u>116,641</u>
<b>EXPENDITURES</b>				
Debt service - principal	95,000	95,000	-	90,000
Debt service - interest	<u>10,435</u>	<u>10,435</u>	-	<u>15,115</u>
Total Expenditures	<u>105,435</u>	<u>105,435</u>	-	<u>105,115</u>
Net Change in Fund Balance	<u>\$ 4,380</u>	2,042	<u>\$ (2,338)</u>	11,526
FUND BALANCE - Beginning of Year		<u>171,419</u>		<u>159,893</u>
FUND BALANCE - END OF YEAR		<u>\$ 173,461</u>		<u>\$ 171,419</u>

# VILLAGE OF INDIAN HEAD PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 911

For the Year Ended April 30, 2011

With Comparative Actual Amounts for the Year Ended April 30, 2010

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>				
911 surcharge	\$ 64,800	\$ 77,006	\$ 12,206	\$ 66,465
Investment income	140	3	(137)	9
Total Revenues	<u>64,940</u>	<u>77,009</u>	<u>12,069</u>	<u>66,474</u>
<b>EXPENDITURES</b>				
Ameritech lines	12,000	5,376	6,624	8,846
Equipment maintenance	1,500	-	1,500	40
Central dispatch assessment	106,000	106,821	(821)	102,536
Total Expenditures	<u>119,500</u>	<u>112,197</u>	<u>7,303</u>	<u>111,422</u>
Net Change in Fund Balance	<u>\$ (54,560)</u>	(35,188)	<u>\$ 19,372</u>	(44,948)
FUND BALANCE (DEFICIT) - Beginning of Year		<u>(30,870)</u>		<u>14,078</u>
FUND BALANCE (DEFICIT) - END OF YEAR		<u>\$ (66,058)</u>		<u>\$ (30,870)</u>

## VILLAGE OF INDIAN HEAD PARK

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL PARKS For the Year Ended April 30, 2011 With Comparative Actual Amounts for the Year Ended April 30, 2010

	2011			2010
	Original and Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>				
Property taxes	\$ 27,368	\$ 26,782	\$ (586)	\$ 27,456
Investment income	5	-	(5)	-
Total Revenues	<u>27,373</u>	<u>26,782</u>	<u>(591)</u>	<u>27,456</u>
<b>EXPENDITURES</b>				
Special parks	<u>25,965</u>	<u>25,965</u>	-	<u>24,762</u>
Total Expenditures	<u>25,965</u>	<u>25,965</u>	-	<u>24,762</u>
Net Change in Fund Balance	<u>\$ 1,408</u>	817	<u>\$ (591)</u>	2,694
FUND BALANCE - Beginning of Year		<u>8,635</u>		<u>5,941</u>
FUND BALANCE - END OF YEAR		<u>\$ 9,452</u>		<u>\$ 8,635</u>

# VILLAGE OF INDIAN HEAD PARK

## PROPRIETARY FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Years Ended April 30, 2011 and 2010

	Business-type Activities Enterprise Fund	
	Major	
	2011	2010
<b>OPERATING REVENUES</b>		
Water usage	\$ 643,150	\$ 641,209
Finance charges - water	8,400	9,119
Finance charges - sewer	1,044	1,178
Sewer charges	89,815	91,595
Total Operating Revenues	742,409	743,101
<b>OPERATING EXPENSES</b>		
Water:		
Water purchases	380,800	354,748
Personnel services	109,733	117,951
Professional services	8,044	13,086
IMRF contributions	15,129	15,186
Social security	7,381	7,381
Maintenance	25,088	90,408
Materials	4,394	4,734
Equipment	-	2,771
Electricity	6,300	5,818
Sewer:		
Personnel services	70,333	71,263
Professional services	27,850	20,584
Water - Administration:		
Equipment and vehicle maintenance	1,593	2,022
Pump maintenance	1,166	440
Equipment Rental	144	124
Health and life insurance	31,833	27,499
Meetings and conferences	100	210
Membership fees	292	327
Postage	673	1,096
Telephone and communications	4,452	3,470
Tools and hardware	436	1,058
Clothing and uniforms	866	644
Gas and oil	381	75
Office supplies	355	580
Safety equipment	699	297
Miscellaneous	43	27
Building	401	312

# VILLAGE OF INDIAN HEAD PARK

## PROPRIETARY FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS For the Years Ended April 30, 2011 and 2010

	Business-type Activities Enterprise Fund	
	Major	
	2011	2010
<b>OPERATING EXPENSES (cont.)</b>		
Sewer - Administration:		
Office supplies	\$ -	\$ 331
Safety equipment	-	1,587
Tools and hardware	-	179
Construction - water system	-	1,102
Equipment and vehicle maintenance	86	1,446
Accounting	7,099	11,346
Illinois EPA fees	1,000	1,000
Equipment	-	2,771
Insurance premium	19,420	22,225
Depreciation	86,853	93,109
Total Operating Expenses	812,944	877,207
Operating Loss	(70,535)	(134,106)
<b>NONOPERATING REVENUES</b>		
Investment income	1	36
Miscellaneous	679	300
Total Nonoperating Revenues	680	336
(Loss) before transfers	(69,855)	(133,770)
Transfer out	(12,000)	(12,000)
Change in net assets	(81,855)	(145,770)
NET ASSETS - Beginning of Year	1,173,822	1,319,592
NET ASSETS - END OF YEAR	\$ 1,091,967	\$ 1,173,822

## VILLAGE OF INDIAN HEAD PARK

### AGENCY FUNDS SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES For the Year Ended April 30, 2011

---

	Balance April 30, 2010	Additions	Deletions	Balance April 30, 2011
<b><u>CLEARING FUNDS:</u></b>				
<b>ASSETS</b>				
Cash and cash equivalent	\$ 74,918	\$ 12,000	\$ 6,000	\$ 80,918
Total Assets	\$ 74,918	\$ 12,000	\$ 6,000	\$ 80,918
<b>LIABILITIES</b>				
Other liabilities	\$ 12,912	\$ -	\$ -	\$ 12,912
Refundable deposits	62,006	12,000	6,000	68,006
Total Liabilities	\$ 74,918	\$ 12,000	\$ 6,000	\$ 80,918

## VILLAGE OF INDIAN HEAD PARK

### FIVE YEAR SUMMARY OF EQUALIZED ASSESSED VALUATIONS, TAX RATES AND EXTENSIONS April 30, 2011

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
EQUALIZED ASSESSED VALUATION	<u>\$ 143,241,949</u>	<u>\$ 145,814,535</u>	<u>\$ 154,765,478</u>	<u>\$ 174,728,538</u>	<u>\$ 184,758,423</u>
<b>TAX RATES</b>					
<b>General:</b>					
Corporate	0.2206	0.2220	0.2360	0.3056	0.2977
Illinois Municipal Retirement Fund	0.0563	0.0615	0.0576	0.0549	0.0474
Social Security	0.0633	0.0682	0.0576	0.0549	0.0474
Auditing	0.0141	0.0136	0.0115	0.0137	0.0131
Police Protection	0.0492	0.0477	0.0466	0.0000	0.0000
Liability Insurance	0.0422	0.0444	0.0346	0.0412	0.0406
Debt Service	0.0790	0.0783	0.0709	0.0632	0.0599
Street and Bridge	0.0633	0.0615	0.0599	0.0000	0.0000
Special Parks	<u>0.0122</u>	<u>0.0155</u>	<u>0.0153</u>	<u>0.0146</u>	<u>0.0146</u>
Totals	<u>0.6002</u>	<u>0.6127</u>	<u>0.5900</u>	<u>0.5481</u>	<u>0.5207</u>
<b>TAX EXTENSIONS</b>					
<b>General:</b>					
Corporate	\$ 315,991	\$ 323,999	\$ 365,135	\$ 534,055	\$ 550,020
Illinois Municipal Retirement Fund	80,645	89,675	89,182	96,011	87,515
Social Security	90,672	99,445	89,182	96,011	87,515
Auditing	20,197	19,830	17,837	24,002	24,167
Police Protection	70,475	69,553	72,100	-	-
Liability Insurance	60,448	64,741	53,510	72,009	75,008
Debt Service	113,174	114,224	109,673	110,371	110,707
Street and Bridge	90,672	89,675	92,700	-	-
Special Parks	<u>17,510</u>	<u>22,660</u>	<u>23,690</u>	<u>25,505</u>	<u>26,931</u>
Totals	<u>\$ 859,784</u>	<u>\$ 893,802</u>	<u>\$ 913,009</u>	<u>\$ 957,964</u>	<u>\$ 961,863</u>

# VILLAGE OF INDIAN HEAD PARK

## DEBT SERVICE REQUIREMENTS 1997 GENERAL OBLIGATION BONDS

April 30, 2011

Year	Principal			Interest Due	Total Debt Service Requirements
	Issued	Paid	Outstanding		
1998	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
1999	50,000	50,000	-	-	-
2000	55,000	55,000	-	-	-
2001	55,000	55,000	-	-	-
2002	60,000	60,000	-	-	-
2003	65,000	65,000	-	-	-
2004	70,000	70,000	-	-	-
2005	70,000	70,000	-	-	-
2006	75,000	75,000	-	-	-
2007	80,000	80,000	-	-	-
2008	85,000	85,000	-	-	-
2009	85,000	85,000	-	-	-
2010	90,000	90,000	-	-	-
2011	95,000	95,000	-	-	-
2012	100,000	-	100,000	5,400	105,400
Totals	<u>\$ 1,085,000</u>	<u>\$ 985,000</u>	<u>\$ 100,000</u>	<u>\$ 5,400</u>	<u>\$ 105,400</u>

Principal payable - December 1  
Interest payable - June 1 and December 1



# VILLAGE OF INDIAN HEAD PARK

## DEBT SERVICE REQUIREMENTS

2009 GENERAL OBLIGATION LIMITED DEBT CERTIFICATES

April 30, 2011

Year	Principal			Interest Due	Total Debt Service Requirements
	Issued	Paid	Outstanding		
2010	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -
2011	15,000	15,000	-	-	-
2012	15,000	-	15,000	52,066	67,066
2013	16,000	-	16,000	51,541	67,541
2014	104,000	-	104,000	50,901	154,901
2015	109,000	-	109,000	46,741	155,741
2016	115,000	-	115,000	41,836	156,836
2017	120,000	-	120,000	36,374	156,374
2018	127,000	-	127,000	30,373	157,373
2019	133,000	-	133,000	23,706	156,706
2020	140,000	-	140,000	16,524	156,524
2021	146,000	-	146,000	8,614	154,614
Totals	<u>\$ 1,050,000</u>	<u>\$ 25,000</u>	<u>\$ 1,025,000</u>	<u>\$ 358,676</u>	<u>\$ 1,383,676</u>

Principal payable - December 15

Interest payable - June 15 and December 15

*This page has been intentionally left blank.*